Minister Welcomes Advice on Building Process

Department of Education and Culture (to July 99)
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New schools are another step closer today, following the auditor general's report on the lease for O'Connell Drive Elementary School in Halifax.

"Our goal is clear: to build high-quality schools in more communities, without adding to the provincial debt," Education and Culture Minister Robbie Harrison said today. "The auditor general says this, our first lease, passes the accounting tests. We're using his advice, along with the experience we've gained, to improve on this starting point, and get on with the job of building urgently needed schools."

In fact, the auditor general's review itself has been part of the learning process and has led to improvements in what are complex accounting issues. The O'Connell Drive lease has a unique feature -- a telecommunications link that shares O'Connell Drive Elementary's information resources with neighbouring schools. The auditor general raised concerns about the accounting treatment and value of this link. This led to a lease improvement that provides greater value for money and meets the tests as an operating lease.

"We all want this process to work, so we can build schools," said Mr. Harrison. "We welcome the advice of the auditor general at any time on ways we can improve this process to meet this goal."

The minister agrees with the auditor general that the school construction process is about more than accounting.

"The impact on educating our children is key. On this measure, this process delivers, no question," Mr. Harrison said. "We're building great schools based on a foundation of advice from our teachers, parents, community members and students themselves. The results show every day in the classroom."

The auditor general states he would like to see greater risk-sharing with the private sector. At the same time, he notes "significant improvements" to the school construction process throughout his report, including changes related to risk transfer and financing arrangements.

Mr. Harrison also noted that in the past, all risk was assumed by the public sector. "The O'Connell Drive lease begins the risk-transfer process, and we are building on this in future agreements."

As one example, the province just announced a new leasing approach for Amherst High, based on a predetermined, all-inclusive price. This price covers not only construction, but ongoing operating, maintenance and new technology costs, and risks for 20 years.

The department is now working with school boards in selecting partners for more than 30 schools across the province. The process remains on target to have partners in place before the fall.

Mr. Harrison thanked the auditor general for his review. "We welcome his advice so we can continue to strengthen the process and get on with the job of building urgently needed schools in more communities."

NOTE: The following is intended for use by broadcast media.

New schools for Nova Scotian children are another step closer today -- following the auditor general's report on the lease of O'Connell Drive Elementary School in Halifax.

Education Minister Robbie Harrison says he welcomes the advice of the auditor general.

He says his department continues to improve on the school construction process.

Harrison says he's pleased the lease meets the accounting tests, and now the province can get on with the job of building urgently needed schools.

The Department of Education and Culture is currently working with school boards in selecting partners to build more than 30 schools across the province.

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